

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE: DEALER MANAGEMENT
SYSTEMS ANTITRUST LITIGATION

This Document Relates To:

*Loop, LLC d/b/a AutoLoop v. CDK Global,
LLC*, Case No. 1:18-cv-002521 (N.D. Ill.)

MDL No. 2817
Case No. 18-cv-00864

Hon. Robert M. Dow, Jr.
Magistrate Judge Jeffrey T. Gilbert

PUBLIC-REDACTED

**PLAINTIFF AUTOLOOP'S RULE 56.1 STATEMENT IN SUPPORT OF ITS MOTION
FOR SUMMARY JUDGMENT ON CDK GLOBAL, LLC'S COUNTERCLAIM**

Pursuant to Federal Rule of Civil Procedure 56 and Northern District of Illinois Local Rule 56.1, putative class representative Loop, LLC (“AutoLoop”) submits this Statement of Undisputed Material Facts in Support of Its Motion for Summary Judgment on CDK Global, LLC’s Counterclaim.

STATEMENT OF UNDISPUTED MATERIAL FACTS

I. The Parties

1. Plaintiff Loop, LLC d/b/a AutoLoop is a limited liability company with its headquarters and principal place of business at 33 N. Garden Avenue, Clearwater, Florida 33755. *See* Answer ¶ 30, Dkt. 514. AutoLoop was acquired by another automotive software vendor, Affinitiv, Inc., on September 3, 2019. *See* Press Release, <https://www.affinitiv.com/2019/09/04/affinitiv-and-autoloop-complete-merger/>. Loop, LLC remains a distinct limited liability company, incorporated under Florida law.

2. AutoLoop is a software vendor that provides software to assist automobile retail dealerships with inventory management, customer relationship management (“CRM”), and managing their service and repair departments. *See* Ex. 1, PI Hr’g Tr. 2-A-56:7-11.

3. Defendant CDK Global, LLC’s corporate headquarters and principal place of business is at 1950 Hassell Road, Hoffman Estates, Illinois 60169. *See* Answer ¶ 31, Dkt. 514.

4. CDK provides dealer management system (“DMS”) software. *See* Answer ¶ 31, Dkt. 514.

5. CDK’s market share has been more than 40 percent since 2016 when measured by dealer rooftops and is higher when measured by percentage of car sales accounted for by dealerships that use its DMS. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. The combined market share of CDK and its alleged co-conspirator The Reynolds and Reynolds Company (“Reynolds”) has been more than 70 percent since 2016 when measured by rooftop and more than 90 percent when measured by car sales. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

II. Data Integration To CDK’s DMS

7. AutoLoop’s software needs access to data stored on dealers’ dealer management systems (“DMS”) in order to function properly. For example, AutoLoop’s CRM software needs access to the dealer’s customer records that are stored on the DMS, while its service and repair software needs access to customer records and information about upcoming service and repair orders. *See* Ex. 1, PI Hr’g Tr. 2-A-56:12-20.

8. Historically, AutoLoop used the services of a data integrator, Superior Integrated Solutions, Inc. (“SIS”), to obtain access to data stored on CDK’s and Reynolds’s DMS. *See* Ex. 1, PI Hr’g Tr. 2-A-56:21 to 57:5; Ex. 4, Rodeghero 12/11/18 Tr. at 117:19-21. SIS charged AutoLoop approximately [REDACTED] per month per rooftop for that data access. *See* Ex. 4, Rodeghero 12/11/18 Tr. 129:17-130:18.

9. In 2015, CDK “strongly indicated” to AutoLoop that CDK would force AutoLoop to obtain data integration through CDK’s Third Party Access (“3PA”) program. Ex. 4, Rodeghero

12/11/18 Tr. 192:20-193:5; *see* Ex. 2, Petruzzelli Tr. 160:7-16 (“AutoLoop was forced into doing 3PA at that time. Because they threatened to shut us off. . . . CDK visited Mercedes Benz [an AutoLoop customer] and told them that they were going to shut us down.”); *id.* at 175:11-176:14 (“[Mike Sailor from CDK] said, Hey I’d like to talk to you about certification, coming onto the 3PA program. I said we have no interest in it whatsoever. We’re very happy with SIS. And so he said, Well, what if we shut down SIS and put you out of business? And at that point, I asked him to please leave the booth.”); Ex. 13, DX122 at AL_MDL_0041051 (SIS to AutoLoop: “I cannot believe that because of CDK noise you would actually consider going to CDK for MB integration”; AutoLoop response to SIS: “Honestly we are fighting this like crazy . . .”).

10. On January 12, 2016, AutoLoop entered into a Managed Interface Agreement (“MIA”) with CDK to obtain access to data stored on CDK’s DMS through 3PA. *See* Ex. 14, DX200.

11. Under the initial terms of the MIA, AutoLoop paid CDK up to [REDACTED] per month per dealer for 3PA. *See* Ex. 11, at AL_MDL_0006252; Ex. 1, PI Hr’g Tr. 2-A-61:13-15.

12. The monthly 3PA fees exceeded the monthly price that AutoLoop would have charged dealers for some of AutoLoop’s products. *See* Ex. 1, PI Hr’g Tr. 2-A-66:20 to 67:18 (“I have scheduling products and other products that cost well under the integration fees, and so from the standpoint of trying to sell a product to a dealership and you have to tell them, ‘I have a \$500 product, and the integration is \$600 or \$700,’ they look at you and they’re like, ‘Well, why am I going to buy that product from you? That’s crazy.’”).

13. AutoLoop did not believe that the 3PA program provided any additional value beyond SIS’s data integration service. *See* Ex. 1, PI Hr’g Tr. 2-A-57:10-19, 63:3-17.

14. In 2015, AutoLoop stopped using SIS because of “notice from SIS that they would no longer be continuing to support integration for SIS,” which had followed “block[ing] by Reynolds and Reynolds” preventing SIS from “extract[ing] the data on a day-to-day basis.” Ex. 1, PI Hr’g Tr. 2-A-57:21 to 58:6.

15. Reynolds has charged AutoLoop data access fees of more than \$700 per dealer per rooftop for the Reynolds Certified Interface (“RCI”). *See* Ex. 1, PI Hr’g Tr. 2-A-59:2-5.

III. Inventory Data Feeds From vAuto

16. AutoLoop has received inventory data from vAuto for approximately 40-50 dealer rooftops. *See* Ex. 7, Rodeghero 4/11/19 Tr. 127:23-25, 135:5-15; Ex. 8, Green Tr. 122:2-16.

17. vAuto is an application sold by Cox Automotive to dealers that “offers an analytic service that generally helps the dealer understand pricing of their vehicles” and “their profitability and turn time for inventory.” Ex. 8, Green Tr. 102:21-103:15.

18. vAuto obtains its inventory data from several sources, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

19. vAuto allows dealers to send inventory data stored in vAuto to other applications. This inventory data consists of information concerning the dealerships’ inventory that is publicly marketed for sale. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

20. Dealers requested that AutoLoop obtain inventory data from vAuto because vAuto “standardly store[d] information in vAuto that [dealers] do not store or maintain in CDK[’s DMS].” Ex. 7, Rodeghero 4/11/19 Tr. 128:1-129:1 (“So basically what we are pulling from vAuto is information that, per the dealership statements to us, that we can’t get from the DMS.”). vAuto does not send solely the “raw data” such as a vehicle identification number (“VIN”), prices, and trims that could be obtained from CDK’s DMS; it sends “enriched” data such as additional pricing information and vehicle images and videos. *See* Ex. 8, Green Tr. 117:7-118:1, 119:8-120:6, 122:23-123:11; Ex. 7, Rodeghero 4/11/19 Tr. 128:1-130:11.

21. For the 40-50 dealers from which AutoLoop received an inventory feed from vAuto, every dealer has already paid for inventory feeds through CDK’s 3PA service except for (possibly) three dealers. *See* Ex. 7, Rodeghero 4/11/19 Tr. 134:23-136:12 (testifying AutoLoop has “roughly about 50 [CDK] stores that are using vAuto integration [T]he bulk of those stores are still purchasing or being charged for the integration transaction from CDK”), 136:10-12 (“Q. How many are not still purchasing or being charged for the integration transaction from CDK. A. From what I recall, there were only three.”).

Dated: May 20, 2020

Respectfully submitted,

/s/ Derek T. Ho

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CERTIFICATE OF SERVICE

I, Derek T. Ho, an attorney, hereby certify that on May 20, 2020, I caused a true and correct copy of the foregoing **PLAINTIFF AUTOLOOP'S RULE 56.1 STATEMENT IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT ON CDK GLOBAL, LLC'S COUNTERCLAIM** to be filed electronically via the Court's CM/ECF system. Notice of this filing will be sent by email to all counsel of record by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Copies of the Under Seal filing were served on counsel of record via email.

/s/ Derek T. Ho

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